

Personal Finance

Course Description: *Personal Finance* is a course designed to help students understand the impact of individual choices on occupational goals and future earnings potential. Real world topics covered will include income, money management, spending and credit, as well as saving and investing. Students will design personal and household budgets; simulate use of checking and saving accounts; demonstrate knowledge of finance, debt, and credit management; and evaluate and understand insurance and taxes. This course will provide a foundational understanding for making informed personal financial decisions.

The co-curricular student organization will provide students with opportunities for leadership development, personal growth, and school/community involvement.

Pre-Requisite(s): None

Recommended Credit(s): 1/2

Recommended Grade Level(s): 11-12

Teachers must show successful completion of professional development in Personal Finance as approved by the State Department of Education.

Personal Finance

Course Standards

Standard 1.0 Analyze factors affecting income throughout the life span.

Standard 2.0 Evaluate practices for successful money management.

Standard 3.0 Analyze the risks, costs and benefits of financial management decisions.

Standard 4.0 Investigate opportunities available for saving and investing.

Standard 5.0 Apply employability skills as an integral part of the personal finance curriculum.

Personal Finance
Course Standards and Expectations

Standard 1.0 Analyze factors affecting income throughout the life span.

Expectations and Performance Indicators:

- 1.1 Interpret factors affecting income.
 - a. Career choices and potential income
 - b. Educational requirements/training costs
 - c. Educational level
- 1.2 Analyze employer benefits packages.
 - a. Savings plan
 - b. Retirement
 - c. Insurance
 - d. Leave (vacation, sick, etc.)
 - e. Stock purchase
 - f. Educational reimbursement
 - g. Incentive plans
 - h. Cafeteria plan
- 1.3 Demonstrate an understanding of inflation and its effect on purchasing power.
 - a. Cost and availability of goods
 - b. Effect of cost on availability of and demand for goods
 - c. Inflation's effect on the value of money
- 1.4 Examine the components of paying taxes.
 - a. Types of taxes (Federal, State, County, City)
 - b. Personal and employer tax responsibilities
 - c. Various documents for reporting taxes (W-2, W-4, 1040, 1040-EZ)
- 1.5 Analyze the costs and benefits of paying taxes.
 - a. Cost of government services (Police and fire protection, schools, roads, Social Security, AFDC, parks and recreation, etc.)

Standard 2.0 Evaluate practices for successful money management.

Expectations and Performance Indicators:

- 2.1 Apply a decision making process to personal financial choices.
- 2.2 Design a current personal financial plan.
- 2.3 Create a realistic household budget that includes the following items.
 - a. Short-term components – saving and spending (housing, utilities, food, entertainment, clothing, transportation, personal items, insurance, etc.)
 - b. Long-term components – saving and spending (estate planning, wills, insurance, long-term care)
- 2.4 Understand banking procedures and services.
 - a. Checking and savings accounts (maintaining and reconciling)
 - b. Bank service fees
 - c. Payment methods
 - d. Debit, bank, and automatic teller machine (ATM) cards
 - e. Loans

- 2.5 Analyze personal risk management (insurance).
 - a. Health
 - b. Life
 - c. Homeowners
 - d. Auto
 - e. Renters
 - f. Disability
 - g. Long-term care

Standard 3.0 Analyze the risks, costs and benefits of financial management decisions.

Expectations and Performance Indicators:

- 3.1 Demonstrate knowledge of basic principles of consumer finance.
 - a. Credit worthiness
 - b. Purchases
 - c. Goods/Services
 - d. Consumer loans/credit life insurance
 - e. Opportunity cost
 - f. Consequences of purchasing choices
- 3.2 Demonstrate awareness of consumer protection and information.
 - a. Personal responsibility
 - b. Laws and regulations
 - c. Legal documents, including contracts
 - d. Consumer protections
 - e. Crimes against consumers
 - f. Fraud/Scams
 - g. Loan Sharking
 - h. Identify theft/protection
 - i. Credit reporting services (Equifax, Trans Union, Experian)
 - j. Rental/lease
- 3.3 Analyze consumer debt management.
 - a. Credit card use and abuse
 - b. Credit costs (interest- including APR, penalties, fees, credit score, etc.)
 - c. Loan consolidation (benefits and disadvantages)
 - d. Credit Counseling
 - e. Credit problems including bankruptcy, foreclosure, repossession, surrender of collateral (turn back), delinquency, garnishment, effect on employment and purchase of insurance, etc.
- 3.4 Examine various forms of credit payment.
 - a. Installment
 - b. Bank draft
 - c. Layaway
 - d. Electronic (Internet, debit card, electronic transfer, credit card)
- 3.5 Compare and contrast various types of loans.
 - a. Mortgage
 - b. Balloon
 - c. Installment
 - d. Education/Training loans
 - e. Check cashing businesses
 - f. Personal

- g. Secured and unsecured
- h. Line of credit
- i. Equity
- j. Title loans
- k. Pawn shops

Standard 4.0 Investigate opportunities available for saving and investing.

Expectations and Performance Indicators:

- 4.1 Identify reasons for saving and investing.
 - a. Education
 - b. Emergencies/rainy day
 - c. Short term goals
 - d. Long term goals
 - e. Retirement
 - f. Down payment
- 4.2 Evaluate methods of saving.
 - a. Certificates of Deposit
 - b. Interest bearing savings account (Passbook savings)
 - c. Individual Retirement Account (IRA) – Roth and traditional
 - d. Pension plans (401K, 403B, annuities, etc.)
 - e. Education savings plans
- 4.3 Evaluate methods of investing.
 - a. Stocks and bonds
 - b. Mutual funds
 - c. Real estate
 - d. Annuities
 - e. Business
- 4.4 Appraise other aspects of saving and investing
 - a. Diversification
 - b. Time value of money
 - c. Compound growth/Accrued interest
 - d. Rule of 72 (divide interest rate into 72 to determine number of years in which money will double)
 - e. Risk and return
- 4.5 Identify regulatory agencies and their functions
 - a. Federal Deposit Insurance Corporation (FDIC)
 - b. Federal Savings and Loan Insurance Corporation (FSLIC)
 - c. Securities Exchange Commission (SEC)
 - d. Federal Reserve
 - e. Internal Revenue Service (IRS)

Standard 5.0 Apply employability skills as an integral part of the personal finance curriculum.

Expectations and Performance Indicators:

- 5.1 Participate in co-curricular student organization activities that enhance personal finance skills.
- 5.2 Practice leadership, citizenship and teamwork skills when developing and implementing collaborative projects